

May 16, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**DEPARTMENT OF HEALTH SERVICES RECOMMENDATION TO APPROVE A
RETROACTIVE AMENDMENT TO DIETARY SERVICES AGREEMENT NO. 70694 WITH MORRISON
HEALTHCARE, INC. (ITEM NO. 29, AGENDA OF MAY 20, 2003)**

Item No. 29 on your May 20, 2003 agenda is the Department of Health Services' (DHS) request for Board approval of a retroactive amendment to an existing contract for dietary services provided by Morrison Healthcare, Inc. (Morrison) to Olive View / UCLA Medical Center (OVMC). This action is not in compliance with the Board-approved policy to ensure the timely submission of contracts for Board approval.

Despite the retroactive nature of the amendment, we recommend approval of this item due to the fact that Morrison is the sole provider of patient meals for OVMC, and this service is essential for hospital operations. In addition your Board had previously approved, on November 26, 2002, an amendment to extend the current contract from December 1, 2002 through May 31, 2003. However, subsequent to that approval, DHS determined that the incorrect base year was used when calculating the amendment budget, thus resulting in a significant budget shortfall and the amendment was never executed. The replacement amendment will correct the budget error as well as extend the agreement for a total of 12 months effective retroactively to December 1, 2002 through November 30, 2003 in order to allow DHS sufficient time to complete an RFP process for a new agreement.

Morrison has continued to provide contract services since December 1, 2002 and the County has continued to pay the contractor at the Board approved amount in effect as of November 30, 2002.

If you have any questions or need additional information, please call me or your staff may contact Dennis Conte at (213) 893-9741.

DEJ:DIL
SAS:DC:bjs

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Director of Health Services